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7                   UNITED STATES DISTRICT COURT  
8                   WESTERN DISTRICT OF WASHINGTON  
9                   AT TACOMA

10                   PACTOOL INTERNATIONAL LTD.,

11                   Plaintiff,

12                   CASE NO. C06-5367BHS

13                   v.

14                   KETT TOOL COMPANY, INC., et al.,

15                   ORDER

16                   Defendants.

17                  This matter comes before the Court having reviewed the parties' briefs in response  
18                  to the Court's order (Dkt. 106) on the issue of the Court conducting a claim construction  
19                  proceeding prior to deciding Plaintiff PacTool International Ltd.'s ("PacTool") motion for  
20                  partial summary judgment of literal infringement (Dkts. 111, 113 & 115). The Court has  
21                  considered the parties' briefs and the remainder of the file and hereby concludes that the  
22                  Court will not conduct a claim construction proceeding prior to deciding PacTool's  
23                  motion for partial summary judgment of literal infringement.

24                  **I. PROCEDURAL AND FACTUAL BACKGROUND**

25                  This is a patent case arising under federal patent law. *See generally* Dkt. 63. This  
26                  Court has original subject matter jurisdiction over the action pursuant to 28 U.S.C.  
27                  §§ 1331 (federal question jurisdiction) and 1338(a) (an Act of Congress governing patent  
28                  cases). PacTool's amended complaint alleges that Defendants have been and are  
                        infringing – directly, contributorily and/or by inducement – technology contained in

1       patents owned by PacTool by manufacturing, using, selling and/or offering for sale  
2       products that infringe such technology. Dkt. 63 at 3-6.

3             This action was filed on June 29, 2006. Dkt. 1. In December of 2007, Defendant  
4       Kett Tool Company Inc. (“Kett”) requested reexamination of the patents-in-suit in the  
5       United States Patent and Trademark Office. *See* Dkt. 30. On February 1, 2008, the Court  
6       granted Kett’s request for a stay of this litigation until the reexamination proceedings  
7       were completed. Dkt. 39. The reexamination proceedings were terminated in December  
8       of 2009 and the stay was terminated on December 18, 2009. *See* Dkt. 48. On April 1,  
9       2010, the Court granted PacTool’s motion to amend its complaint to add Hoffman as a  
10      Defendant. Dkt. 61.

11           On April 26, 2010, Defendants filed their motion requesting the Court to dismiss  
12       or transfer this action for improper venue, or in the alternative, to transfer this action to  
13       the Southern District of Ohio pursuant to 28 U.S.C. § 1404. Dkt. 75. Further, Hoffman  
14       requests that the Court dismiss or transfer the causes of action against him for lack of  
15       personal jurisdiction and/or for failure to state a claim upon which relief can be granted.  
16       *Id.* On July 7, 2010, the Court issued an order granting in part and denying in part Kett  
17       and Hoffman’s motion and transferred the case to the Southern District of Ohio. Dkt. 93.  
18       On July 8, 2010, Kett filed a statement noting the death of Hoffman. Dkt. 94. On July  
19       14, 2010, PacTool filed a motion for reconsideration of the Court’s order regarding  
20       transfer. Dkt. 96. On August 25, 2010, the Court granted PacTool’s motion and  
21       reopened the case. Dkt. 103.

22           On March 25, 2010, PacTool filed a motion for partial summary judgment of  
23       literal infringement. Dkt. 59. On April 12, 2010, Kett filed a response (Dkt. 66) and on  
24       April 16, 2010, PacTool replied (Dkt. 71). On September 23, 2010, the Court ordered the  
25       parties to file briefing on whether it was necessary for the Court to conduct a claim  
26       construction proceeding prior to deciding PacTool’s motion for partial summary  
27       judgment. Dkt. 106. On October 8, 2010, PacTool filed its opening brief on the issue of  
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1 claim construction. Dkt. 111. On October 20, 2010, Kett filed its response (Dkt. 113),  
2 and on October 25, 2010, PacTool filed its reply (Dkt. 115).

## 3 II. DISCUSSION

4 PacTool's motion for partial summary judgment involves the literal infringement  
5 of claim 16 of the '303 Patent and claims 10 and 19 of the '998 Patent. Dkt. 59. PacTool  
6 maintains that there is no dispute as to the claim terms, relying on the parties' 2007  
7 stipulation which removed the Markman hearing from the Court's calendar and stated that  
8 "[t]he parties conferred and concluded that the claim terms of the patents-in-suit need not  
9 be construed in a separate hearing, and thus, the Markman Hearing (and briefing) were  
10 unnecessary." (Dkt. 21). Dkt. 59 at 12. Kett argues that there are disputed claim terms in  
11 this case and that it would be prejudicial to Kett "to require it to be bound to a stipulation  
12 that was made more than two and a half years ago" especially considering PacTool's new  
13 claims that it first asserted in its amended complaint. Dkt. 66 at 6. Kett asserts that the  
14 Court should follow the Local Patent Rules and set a schedule for the claim construction  
15 process in this case. Dkt. 66 at 5.

16 Having reviewed the parties' briefs and the remainder of the file herein, the Court  
17 concludes that it is not necessary for the Court to conduct a claim construction proceeding  
18 prior to deciding PacTool's motion for partial summary judgment of literal infringement  
19 as Kett has failed to identify terms that it believes need to be construed for purpose of  
20 literal infringement. However, the Court further concludes that conducting claim  
21 construction may be necessary before the Court decides Kett's recently filed motion for  
22 summary judgment. (Dkt. 125). Parties are to attempt to file a joint proposed schedule for  
23 conducting the claim construction process. If the parties cannot reach an agreement, each  
24 party may file its proposed schedule and limited argument in support of the schedule in a  
25 brief not to exceed six pages. The Court notes that it is inclined to adopt a schedule that  
26 will allow this case to proceed in an efficient and timely manner.

### III. ORDER

Therefore, the Court ORDERS as follows:

(1) No claim construction proceeding will be conducted prior to deciding PacTool's motion for partial summary judgment of literal infringement and PacTool's motion (Dkt. 59) is hereby **RENOTED** to December 15, 2010;

(2) The parties are to file a joint proposed schedule, or each party is to file a separate proposed schedule, for conducting the claim construction process as discussed above;

(3) Kett's motion for summary judgment (Dkt. 125) and all pending case schedule deadlines are **STAYED** until the Court issues a schedule for conducting the claim construction process and adjusts the current case schedule accordingly.

DATED this 15<sup>th</sup> day of December, 2010.

  
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**BENJAMIN H. SETTLE**  
United States District Judge